

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2064 – SB 1971

March 1, 2016

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Transportation (TDOT) to have jurisdiction over the design, erection, installation, and maintenance of tourist oriented directional signs (TOD signs) on the state highway system including those signs within limits of incorporated municipalities.

Requires the removal of unlawful signs, at the expense of the advertiser, that were installed without authorization. Requires the TDOT to establish a TOD sign permit system and inventory by January 1, 2017. Authorizes the TDOT to contract with other entities to develop, implement, or administer the permit system and to require an annual fee for each TOD sign permit, equal to an amount sufficient to defray the expenses incurred by TDOT in developing, implementing, and administering the permit system and inventory.

Authorizes the TDOT to prescribe by rule in accordance with the Uniform Administrative Procedures Act the method in which TDOT permits are issued. Prohibits installation of any TOD signs until a permit system is developed.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (012988):** Deletes and rewrites the bill such that the amended bill states that TOD signs refer only to guide signs authorized in the Manual on Uniform Traffic Control Devices for use on rural conventional roads to display business identification and directional information for tourist oriented facilities. Deletes the proposed authorization of the TOD sign permitting system and the proposed authorization of the Commissioner to contract with one or more entities to develop, implement, or administer the permit system. Requires TDOT to remove any signs after 180 days after an order by the Department to remove such signs and then recover any associated costs from the local government who constructed the sign. Requires rules promulgated by TDOT to establish an application process for obtaining a TOD sign. Requires TDOT to maintain a list of TOD signs located within the state rights-of-way and indicate if such signs are located within or outside the corporate limits of a municipality by July 1, 2018.

HB 2064 – SB 1971

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

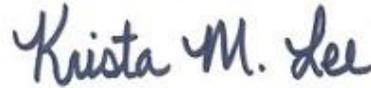
**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- According to TDOT, the department’s current inventory and permit process meets the requirements of the proposed legislation. As a result, it is assumed this bill as amended codifies the current practice of the department.
- Any change in state expenditures to TDOT to accomplish the requirements of the legislation is estimated to be not significant.
- TDOT will not impose any additional permits or fees; therefore, any change in state permit fee revenue to TDOT is estimated to be not significant.
- According to TDOT, twelve signs will have to be removed from the City of Sevierville.
- It is assumed that any expenditure associated with the removal of such existing signs will be at the expense of local governments pursuant to the requirement specified in the bill as amended. Any costs to local government to remove such signs are considered not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/tdb